

Interim Report

January – March 2025

“Demand for our recycling solutions is clearly picking up pace“

– Ronnie Törnqvist, CEO



First quarter at a glance

Highest margin so far

Significant events during the quarter:

- Gross margin increased from 45% to 48% while sales decreased by 7% compared to the corresponding quarter of 2024.
- EBITDA amounted to 1,299 kSEK, compared to 2,212 kSEK for the corresponding quarter of 2024.
- Performance Masterbatch's sales increased by 5% compared to the corresponding quarter of 2024 and Performance Chemical's sales decreased by 20% driven by lower deliveries within lightweight additives.

Financials during the first quarter of 2025:

- Net sales during quarter amounted to SEK 49,281,000 (53,219,000).
- The gross margin amounted to 48% (45%) during the quarter.
- The operating profit before depreciation (EBITDA) for the quarter was SEK 1,299,000 (2,212,000).
- In comparison to the beginning of the year, cash and cash equivalents amounted to SEK 1,095,000 (2,882,000).
- Cash flow from the operating activities during the quarter amounted to SEK 1,876,000 (3,622,000).
- Earnings per share before and after dilution amounted to SEK -0.05 (-0.02).

Key Figures for the Group*			
(SEK thousand)	Jan-Mar 2025	Jan-Mar 2024	Full year 2024
Net sales (SEK thousand)	49 281	53 219	199 577
Adjusted operating profit/loss before depreciation (Adj EBITDA) (SEK thousand)	1 299	2 212	8 061
Operating profit/loss before depreciation (EBITDA) (SEK thousand)	1 299	2 212	8 061
Cash and cash equivalents (SEK thousand)	1 095	9 909	2 882
Cash flow from operations (SEK thousand)	1 876	3 622	7 426
Equity (SEK thousand)	179 344	191 824	183 311
Equity per basic share (SEK)	2,22	2,37	2,27
Equity/asset ratio (%)	78	77	79
Total assets (SEK thousand)	231 173	248 598	231 091
Quick ratio (%)	97	141	140
Average number of basic shares	80 915 798	80 915 798	80 915 798
Average number of diluted shares	80 915 798	80 915 798	80 915 798
Earnings per share (SEK)	-0,05	-0,02	-0,12
Share price on balance sheet date (SEK)	3,07	3,29	4,24



Comments from the CEO

Despite a slow start to the year, March showed significant strength

The first quarter of 2025 had a strong ending in March but was marked by a slow start in January and February, particularly within the Lightweight segment. Recycling and Aesthetics compensated for most of the slow sales in Lightweighting. Net Sales amounted to 49,3 MSEK (53,2 MSEK), with an EBITDA of 1,3 MSEK (2,2 MSEK). Despite slightly lower sales compared to the same period last year, we maintained a stable EBITDA and balance in the cash flow (operational 1,9 MSEK and total -1,5MSEK), thanks to previous cost-saving programs and our focused work on cost control. The contribution margin increased for the ninth consecutive quarter to 48% (45%).

Segment Overview

Recycling: Demand for our recycling solutions is clearly picking up pace, both compared to previous year (3,6 MSEK versus 1,3 MSEK in Q1 2024) and quarter on quarter (+50% growth versus Q4 2024). Several new customers have ramped up their production volumes, among them one of the previously announced customers that – after a somewhat slow start- will be in full industrial scale production during Q2. We see strong interest from customers in the pre-production phase, and a notable increase in interest from the German market. Our recent press release about our collaboration with nearby film producer Kullaplast has garnered substantial interest across the plastics industry, some in the media, but above all from other industrial blown film manufacturers

all over Europe and other parts of the world. Nexam Chemical's technology enables the enhancement of recycled plastics in a way that provides clear business advantages, and we expect continued strong growth in this segment. Our product development is progressing with solutions addressing new challenges, such as for example fiber-to-fiber recycling and improved mechanical strength of recycled food trays.

High Temperature: Sales in this segment were stable during the quarter, but industrial interest in high-temperature solutions is increasing. The UK-based and funded R&D project Tape Extreme has gained significant attention, and we see growing potential for future innovations in this area, particularly in Europe, where more industry players are showing interest in advanced high-temperature composite applications. Considering recent events, there is also an increasing European interest in high-performance materials for defense-related applications, which further strengthens the long-term prospects of this segment.

“During the quarter, we continued to set new records in the number of color matches...”

Aesthetics: Despite the slow end markets, developments in the Nordic and Eastern European markets have been positive. Our close collaboration with customers and our ability to tackle technical challenges strengthens their competitiveness, which continues to drive sales. During the quarter, we continued to set new records in the number of color matches, a good indicator of business performance going forward, reflecting our competitiveness and ability to provide customized solutions.

Lightweight: Like the two last quarters, sales in this segment were slow during the quarter (8,7 MSEK versus 19,7 MSEK in Q1 2024), primarily due to continued weak end markets and some temporary stock adjustment effects. However, we remain confident in the long-term potential of this segment, not only within wind energy that continues to be a cornerstone of the energy transition, but within other segments that the major players within structural foams are pushing aggressively to drive volumes.

Operational Stability and Future Opportunities

The stable EBITDA level and cash flow during the quarter are direct results of our effective cost and cash flow focus. At the same time, we are seeing an increase in order volumes, particularly within color masterbatch for Eastern Europe and Reactive Recycling, which has led us to strengthen operator staffing in production by five FTE's, starting in April.

“...strengthen operator staffing in production by five FTE's...”

Furthermore, we are seeing increased interest in Reactive Recycling, with several projects moving from development towards realization stages. As mentioned, a major customer within Reactive Recycling experienced a slow start but is now fully operational in Q2.

Market and Outlook

The European composites JEC fair in Q1, where we presented solutions within High Temperature and Lightweight, has been followed by preparations for the PRSE fair in Amsterdam (focused on plastics recycling) in April and the Plastteknik Fair in Malmö (main event for the Nordic plastics market) will be followed by the Mumbai recycling fair in India. These events strengthen our position and open new business opportunities as an integral part of how we go to the market.

The threats of increasing US import duties and the potential indirect effects on the economy are concerns to all organizations with an international supplier and customer base. All our significant exports to US are, however, from the UK with payment conditions excluding duties. In addition, we have balanced sales and purchasing volumes in both Euro and USD, providing stability in uncertain times.

Overall, we see a continued stable and positive development for Nexam Chemical thanks to our intensive and increasingly successful market development. Despite a slow start to the year, March showed significant strength, and we have an increasingly optimistic outlook for the coming quarters.

Ronnie Törnqvist, CEO

This is Nexam Chemical

Nexam Chemical

Lighter, stronger, and recyclable material. It is part of what the world needs to grow sustainably. We at Nexam Chemical can contribute to that. We work to improve polymeric materials – plastics, in everyday terms. By adding our additives, customers can create materials that give the end products completely new and effective properties, such as lower weight, increased heat resistance and strength, longer life, higher recycling rates or more aesthetically pleasing properties such as advanced colors and their durability.

Today, we help customers improve materials that are then used in everything from computers, wind turbines and vehicle components to water pipes and food packaging. We are a company that has a turnover of SEK 200 million, has manufacturing in four countries, employs more than fifty people and cooperates with reputable chemical and material companies throughout the world.

The group's head office is in Lomma, Sweden. Development of new products and applications as well as formulation evaluation takes place in our laboratories in St Andrews, Scotland and Lomma, Sweden.

Production of the company's molecules is done in St Andrews. Production of masterbatch and multifunctional masterbatch takes place in the subsidiary Nexam Performance Masterbatch.

Our assignment

To build a global business centered around making plastics better and sustainable. Deliver solid profit and growth, both organically and by acquisitions, over the years to come.

Our vision

One of the most innovative and interesting global companies in reactive chemistry with the higher purpose of driving sustainability forward.

Our business idea

We develop and produce additives that enhance properties and performance of plastics, especially solutions that contribute to more circular use of plastics.

Our thorough understanding of the market and its needs together with our core competence will be the foundation for our success and global reach.



Financial comments

Sales and profit

Net sales for the quarter totalled SEK 49,281,000 (53,219,000). Other operating income for the quarter amounts to SEK 128,000 (331,000).

The personnel expenses during the quarter totalled SEK - 11,150,000 (- 10,886,000) and other operating expenses totalled SEK - 11,197,000 (- 10,532,000). The depreciation for the period amounts to SEK - 4,076,000 (- 3,561,000) of which SEK - 1,100,000 (- 1,100,000) concerns depreciation of acquired immaterial surplus values. The profit/loss for the quarter before depreciation (EBITDA) amounted to SEK 1,299,000 (2,212,000). The operating profit/loss before tax for the quarter came in at SEK - 4,031,000 (- 1,835,000).

Personnel and organization

The number of employees in the Group, restated as fulltime equivalents were 53 (54) at the end of the quarter. Of these, 44 (45) were men and 9 (9) women.

Investments

The total investment, which mainly refer to the development of new additives to improve the recycling of

plastics, in intangible assets during the year amounts to SEK 1,410,000 (927,000) and for the tangible assets to SEK 577,000 (1,371,000).

Cash flow

The cash flow from the operating activities during the quarter amounted to SEK 1,876,000 (3,621,000). Changes in working capital has affected the cashflow with SEK 1,786,000 (1,769,000). During the quarter, amortization of bank loans has affected the cashflow with SEK - 128,000 (- 128,000). The total cash flow for the quarter amounted to SEK - 1,537,000 (837,000).

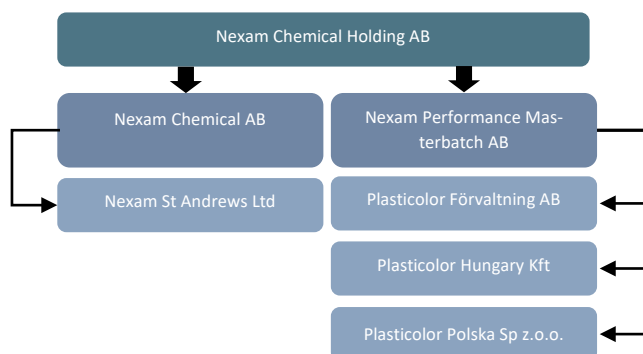
Financial position

Compared to the beginning of the year, the equity/assets ratio was 78 (79) percent, and the equity was SEK 179,344,000 (183,311,000). Cash and cash equivalents amounted to SEK 1,095,000 (2,882,000) in addition there is an overdraft of 25 mSEK. The Group has at the end of the period an interest-bearing debt of SEK 19,426,000 (20,661,000) compared to the beginning of the year.

Other information

Group structure

Nexam Chemical Holding AB is a Swedish public limited liability company, and its corporate ID no. is 556919-9432. Nexam Chemical Holding AB is listed on First North Growth Market at Nasdaq Stockholm. The Group consists of the parent company Nexam Chemical Holding AB (publ) and two subgroups, Nexam Chemical and Nexam



Performance Masterbatch. All companies in the Group are wholly owned.

Accounting policies

The Group applies International Financial Reporting Standards (IFRS), as adopted by the EU. This interim report has been prepared in accordance with IAS 34 Interim Financial Reporting, the Annual Accounts Act and the Swedish Financial Reporting Board recommendation RFR 1 Accounting for Legal Entities. The parent company applies the Annual Accounts Act and the Swedish Financial Reporting Board recommendation RFR 2 Accounting for Legal Entities. The accounting policies and calculation methods applied are consistent with those described in the annual report for 2024.

The new standards and the amendments to and revisions of standards and new interpretation statements (IFRIC) that came into force on 1 January 2025 did not have any effect on the group's accounting for the period January to March 2025.

Intangible fixed assets. Nexam Chemical's intangible fixed assets consist of capitalized development costs for the development of additives for plastics, patents, market positions and goodwill. Development costs, patents and the market positions are written off over the period of use, while the goodwill is not written off, but the value is tested annually through an impairment test.

Split of revenue on different revenue streams. Financial information reported to the chief operating decision maker (CEO) as the basis for allocating resources and judging the group's profit or loss is divided into two different revenue streams but not divided in results. The revenue streams are Performance Chemicals and Performance Masterbatch. Performance Chemicals consists of Nexam Chemicals product portfolio and Performance Masterbatch consists of Nexam Performance Masterbatch's product portfolio.

Reporting standards. Nexam prepares its consolidated financial statements in accordance with International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board (IASB) and interpretative statements from the IFRS Interpretations Committee, as adopted by the EU for application within the EU. The interim report has been prepared in accordance with IAS 34 Interim Financial Reporting.

Disclosures in accordance with IAS 34.16A appear not only in the financial statements and their accompanying notes but also in other parts of the interim report.

The parent company applies the Annual Accounts Act and the "Council for Financial Reporting" RFR 2 Accounting for legal entities. Application of RFR 2 means that the parent company as far as possible applies to all IFRS approved by the EU within the framework of the Annual Accounts Act and the Social Security Act and has considered the connection between accounting and taxation. The Group and the Parent Company have applied the

accounting principles described in the annual report for 2024.

Incentive program. The consideration for the staff warrants in the incentive program is reported as a free share premium fund in equity.

Transactions with related parties

During the year there have been no transactions with related parties besides remunerations to the Board of Directors and salaries to top management.

Principles for remunerations to the Board of Directors are stated in the annual report 2024 and from then minutes from the Annual General Meeting 14th of May 2024.

Risks and uncertainties

The Group's operations are affected by several factors which can result in a risk for the Group's operations and profit. See the annual report for 2024.

The company assesses that the risks described in the financial reports for the group are also applicable during the third quarter. The company assesses that no significant changes occurred in the risk assessment for the quarter.

Estimates and judgements

To be able to prepare the financial statements, the Board of Directors and the Management make judgements and assumptions on the basis of available information that impact on the group's financial performance and financial position.

Estimates and judgements are evaluated on an ongoing basis and are based on historical experience and other factors, including expectations about future events that can be reasonably expected under prevailing conditions. The actual outcome may differ from the judgements made. The areas where estimates and assumptions could lead to a significant risk of adjustments to the figures reported for the company's financial performance, and position in future reporting periods, are primarily judgements about market conditions and thus the value of the Group's non-current assets. During the period the principles for estimates and judgements have remained unchanged.

Signatures

Lomma 24th of April 2025

Cecilia Jinert Johansson
Chairman of the Board

Lennart Holm
Member of the Board

Martin Roos
Member of the Board

Magnus Wikström
Member of the Board

Ronnie Törnqvist
CEO

Financial Statements in summary

Consolidated income statement in summary				
(SEK '000)	Note	Jan-Mar 2025	Jan-Mar 2024	Full year 2024
Net sales	2,3	49 281	53 219	199 577
Other operating income		128	331	833
		49 409	53 550	200 410
Operating expenses				
Raw materials and consumables		-25 617	-29 292	-107 175
Operating expenses		-11 197	-10 532	-39 504
Personnel cost		-11 150	-10 886	-43 709
Depreciation of tangible and intangible assets		-4 076	-3 561	-15 386
Other operating expense		-146	-628	-1 962
Operating profit/loss		-2 777	-1 349	-7 325
Financial items				
Financial income		-477	2	2 460
Financial costs		-776	-488	-3 189
Profit/loss before tax		-4 031	-1 835	-8 054
Income tax		-33	-30	-954
Profit/loss for the period		-4 064	-1 865	-9 008
Other comprehensive income				
<i>Items that may be reclassified to profit or loss</i>				
Translation differences on foreign subsidiaries		95	634	-923
<i>Sum of other comprehensive income, net after tax</i>		95	634	-923
Comprehensive result for the period		-3 969	-1 231	-9 931
The profit for the year as well as comprehensive income are wholly attributable to the parent company's shareholders.				
Earnings per share (SEK)				
Basic earnings per share (SEK)		-0,05	-0,02	-0,12
Diluted earnings per share (SEK)		-0,05	-0,02	-0,12
Average number of basic shares		80 915 798	80 915 798	80 915 798
Average number of diluted shares		80 915 798	80 915 798	80 915 798

Consolidated balance sheet in summary				
(kSEK)	Note	31-mar 2025	31-mar 2024	31-dec 2024
ASSETS				
Intangible assets	1	99 418	100 541	98 715
Tangible assets		55 058	60 338	57 597
Financial assets		28	28	28
Inventory		37 588	38 181	34 352
Trade receivables		26 340	34 175	31 527
Other receivables		11 646	5 427	5 991
Cash and bank		1 095	9 909	2 882
TOTAL ASSETS		231 173	248 598	231 091
EQUITY AND LIABILITIES				
Equity		179 344	191 824	183 311
Long-term debt with interest		8 563	18 856	15 862
Other long-term debt		2 245	2 240	2 435
Provisions for pension		560	540	558
Short term debt with interest		10 863	4 570	4 799
Trade payables		17 970	17 472	11 263
Other liabilities		11 628	13 095	12 863
TOTAL EQUITY AND LIABILITIES		231 173	248 598	231 091

Summary consolidated statement of changes in equity					
(SEK '000)	Share capital	Free premium fond	Reserves	Retained earnings	Sum equity
Equity opening balance 2025-01-01	1 556	423 760	-1 904	-240 101	183 311
Comprehensive income					
Loss for the period				-4 064	-4 064
Other comprehensive income					
Change in translation reserve for the period			95		95
Sum other comprehensive income after tax	0	0	95	0	95
Total comprehensive income for the period	1 556	423 760	-1 809	-244 165	179 344
Transaction with Group's owners					
Total transaction with the Group's owners	0	0	0	0	0
Equity closing balance 2025-03-31	1 556	423 760	-1 809	-244 165	179 344
Equity opening balance 2024-01-01	1 556	423 573	-981	-231 093	193 055
Comprehensive income					
Loss for the period				-9 008	-9 008
Other comprehensive income					
Change in translation reserve for the period			-923		-923
Sum other comprehensive income after tax	0	0	-923	0	-923
Total comprehensive income for the period	1 556	423 573	-1 904	-240 101	183 124
Transaction with Group's owners					
Employee warrants		187			187
Total transaction with the Group's owners	0	187	0	0	187
Equity closing balance 2024-12-31	1 556	423 760	-1 904	-240 101	183 311

Consolidated cash flow in summary			
(SEK '000)	Jan-Mar 2025	Jan-Mar 2024	Full year 2024
Cash flow from operating activities			
Operating income	-2 777	-1 349	-7 327
Adjustment from non-cash items	2 885	3 202	13 630
Cash flow from operations before changes in working capital	108	1 853	6 303
Changes in working capital	1 768	1 769	1 123
Cash flow from operations	1 876	3 622	7 426
Cash flow from investment activities	-1 987	-2 298	-9 900
Cash flow from financing activities	-1 426	-486	-2 870
Cash flow for the period	-1 537	838	-5 344
Cash and cash equivalents at the beginning of the period	2 882	9 056	9 056
Effect of exchange rate changes on cash	-250	15	-830
Cash and cash equivalents at end of period	1 095	9 909	2 882

Parent company - Income statement in summary			
(SEK '000)	Jan-Mar 2025	Jan-Mar 2024	Full year 2024
Net sales	2 497	2 701	10 804
	2 497	2 701	10 804
Operating expenses			
Operating expenses	-1 659	-1 717	-6 537
Personnel cost	-1 805	-1 830	-6 795
Other operating expenses	-967	-846	-2 528
Operating profit/loss			
Financial items	-485	-592	227
Interest expenses and other similar loss items	-1 452	-1 438	-2 302
Profit/loss before tax			
Appropriations	-	-	-10 000
Profit/loss for the period	-1 452	-1 438	-12 302

Parent company - Balance sheet in summary			
(SEK '000)	31-mar 2025	31-mar 2024	31-dec 2024
ASSETS			
Financial assets	408 352	408 352	408 352
Short term receivables			
Receivables from group companies	54 240	50 990	56 119
Other receivables	409	369	559
Cash and bank	-10 456	3 124	-8 601
TOTAL ASSETS	452 545	462 835	456 429
EQUITY AND LIABILITIES			
Equity	446 526	458 842	447 979
Provisions	560	540	558
Short term liabilities			
Trade payables	303	308	181
Liabilities to group companies	2 500	-	5 000
Other liabilities	2 656	3 145	2 711
TOTAL EQUITY AND LIABILITIES	452 545	462 835	456 429

Note 1 - Intangible fixed assets				
(SEK '000)	Goodwill	Market positions	Development costs	Patents
Accumulated cost				
Opening balance 1 January 2025	45 943	44 000	38 181	12 486
Additions			2 444	221
Re-classification				
Closing balance 31 March 2025	45 943	44 000	40 625	12 707
Accumulated depreciation				
Opening balance 1 January 2025	0	-31 167	-5 719	-5 009
Expensed depreciation for the period		-1 100	-630	-232
Re-classification				
Closing balance 31 March 2025	0	-32 267	-6 349	-5 241
Residual value 31 March 2025	45 943	11 733	34 276	7 466
Accumulated cost				
Opening balance 1 January 2024	45 943	-31 167	-5 719	-5 009
Additions			3 233	706
Re-classification			-4 355	4355
Closing balance 31 December 2024	45 943	44 000	38 181	12 486
Accumulated depreciation				
Opening balance 1 January 2024	0	-26 767	-6 142	-2 735
Expensed depreciation for the period		-4 400	-1 412	-439
Re-classification			1 835	-1 835
Closing balance 31 December 2024	0	-31 167	-5 719	-5 009
Residual value 31 December 2024	45 943	12 833	32 462	7 477

Note 2 - Net sales divided in geographical markets

(SEK '000)	Jan-Mar 2025	Jan-Mar 2024	Full year 2024
Net sales Sweden	10 604	10 475	40 229
Net sales Europe	27 603	32 652	117 873
Net sales rest of the world	11 074	10 092	41 474
Total	49 281	53 219	199 577

Note 3 - Net sales divided in revenue streams

(SEK '000)	Jan-Mar 2025	Jan-Mar 2024	Full year 2024
Performance Masterbatch	28 846	27 525	109 635
Performance Chemicals	20 435	25 694	89 942
Total	49 281	53 219	199 577

Share capital, shares and ownership

The Company's share capital totals SEK 1,556,073 divided into 80,915,798 outstanding shares. The Company only has one class of shares, and all shares have equal rights to dividends. The shares of Nexam Chemical Holding AB are listed on NASDAQ Stockholm First North Growth Market under the ticket NEXAM. Close to 4.1 million shares have been turned during the quarter and the average price during the period was SEK 3.68 per share.

Incentive programs

The company has one ongoing incentive program (2024/2027) with a total of 1,170,500 outstanding warrants, which all entitle the holders to subscribe for one new share. All warrants have been issued at market value, calculated according to the "Black Scholes" formula. If all currently outstanding warrants are exercised, the total dilution will be approximately 1,4% for the incentive program 2024/2027:

For more information and the full terms and conditions of incentive program 2024/2027, please see the resolutions from Annual General Meeting in 2024.

Allotment date	Price per warrant (SEK)	Earliest redemption date	Final due date	Redemption price (SEK)	Outstanding warrants 31 st of March 2025	Dilution if fully exercised
2024-05-28	0,16	2027-09-01	2027-10-01	6,00	1 170 000	1,4%

Shareholders

The number of shareholders as of 31st of March 2025 was 5,143.

Shareholders	Shares	Percent
SvenOlov Hjaelmsstad	8 677 250	10,7%
Försäkringsbolaget, Avanza Pension	7 816 146	9,7%
Veronica Wallman	3 641 225	4,5%
SEB Investment Management AB	2 804 047	3,5%
SIX SIS AG	2 300 483	2,8%
Nordnet Pensionsförsäkring AB	2 295 938	2,8%
Lennart Holm, privately and via company	2 031 932	2,5%
Claes Mellgren	1 660 663	2,1%
Per Olof Andersson	1 615 664	2,0%
Mikael Wandy Karlsson, privately and via company	1 448 625	1,8%
Other shareholders (approx. 5,133)	46 623 825	57,6%
Total	80 915 798	100,0%

Financial calendar

13 May 2025	Annual General Meeting 2025
11 Jul 2025	Interim Report January-June 2025
17 Oct 2025	Interim Report January-September 2025
29 Jan 2026	Year-End-Report 2025

Interim reports are available on www.nexamchemical.com.

This report hasn't been subject to review by company's auditor.

Contact

**For further information concerning the report,
please contact:**

Ronnie Törnqvist, VD
Tel: +46 (0)706-25 41 85
E-post: Ronnie.tornqvist@nexamchemical.com

Company

Nexam Chemical Holding AB (publ)
Box 165
234 23 LOMMA
Tel. 0703-47 97 00
www.nexamchemical.com

Account Operator

Euroclear Sweden AB
Box 7822
103 97 STOCKHOLM
Tel. 08-402 90 00
www.euroclear.nu

Certified Adviser

Bergs Securities AB
www.bergssecurities.se

Note: This Report has been translated from Swedish. The Swedish text shall govern for all purposes and prevail in case of any discrepancy with the English version.

This information is information that Nexam Chemical Holding AB is obliged to make public pursuant to the EU Market Abuse Regulation. The information was submitted for publication, through the agency of the contact person set out above, at 08:18 CET on 24th of April 2025.